

POLICY MI 5.5 ARIZONA STATE HOSPITAL

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- A. PURPOSE: To outline service authorization requirements and billing/reimbursement processes for Title XIX/XXI eligible persons referred to the Arizona State Hospital (ASH) for admission and/or for whom continued stay is determined medically necessary.
- B. SCOPE: Arizona State Hospital (ASH) and Tribal and Regional Behavioral Health Authorities (T/RBHAs).
- C. POLICY: Coordination between ASH and T/RBHAs shall occur in a manner that ensures the provision of appropriate, medically necessary covered behavioral health services that are consistent with treatment goals and identified needs for individuals admitted to ASH.
- D. REFERENCES: [42 C.F.R. Part 431\(F\)](#)  
[A.R.S. § 36-107](#)  
[A.R.S. § 36-509](#)  
[A.R.S. § 36-2903](#)  
[A.R.S. § 41-1959](#)  
[A.R.S. § 46-135](#)  
[A.A.C. R9-21](#)  
[A.A.C. R9-22](#)  
[ADHS/RBHA Contracts](#)  
[ADHS/TRBHA IGAs](#)  
[Sec. 3.14, Securing Services and Prior Authorization](#)  
[ADHS/DBHS Covered Behavioral Health Services Guide](#)  
[ADHS/DBHS Practice Improvement Protocol 17, Arizona State Hospital](#)
- E. DEFINITIONS:
1. Certification of Need (CON):  
  
Certification by a physician that inpatient services are or were needed at the time of the person's admission.
  2. Recertification of Need (RON):  
  
Certification by a physician, physician assistant or nurse practitioner that inpatient services continue to be needed for a person.

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3. Letter of Authorization (LOA):

A correspondence from the T/RBHA to ASH approving continued stay in ASH.

F. PROCEDURES:

1. Covered Services to be Rendered

- a. ASH will provide, or ensure that ASH-contracted service providers provide, covered services that are within the scope of ASH's and such applicable contracted ASH providers' licensed or certified capabilities and that are deemed medically necessary in accordance with the T/RBHAs referral, quality assurance, and utilization management procedures.
- b. Enrollment, disenrollment, and re-enrollment of eligible persons shall be in accordance with the ADHS/DBHS Policies and Procedures.
- c. ASH acknowledges that it and its providers have an independent responsibility to provide mental health and/or dual diagnosis substance abuse services, including covered services, to eligible persons who are ASH's and providers' patients/clients and that coverage or payment determinations by the T/RBHA does not absolve ASH or its providers of responsibility to render appropriate services to eligible persons.

2. Professional Standards

- a. ASH shall render and shall ensure that contracted providers render covered services in a quality and cost effective manner pursuant to the T/RBHAs applicable standards and procedures; in accordance with generally accepted medical standards and all applicable laws and regulations; and pursuant to the same standards as services rendered to ASH's and providers' other patients/clients.
- b. ASH shall not discriminate against any eligible person based on race, color, gender, sexual orientation, age, religion, national origin, handicap, health status, or source of payment in providing services under this policy.

3. Referrals

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- a. ASH agrees to identify and initiate appropriate referrals to Children's Rehabilitation Services (CRS) for all eligible persons up to the age of 21 years whose condition is identified as an eligible CRS diagnosis.
- b. ASH further agrees to comply with the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) policies regarding appropriate referrals to the Arizona Department of Economic Security/Division of Developmental Disabilities (ADES/DDD), and the Arizona Health Care Cost Containment System/Arizona Long Term Care System (AHCCCS/ALTCS) program.
- c. ASH's failure to make timely and adequately such referrals may result in denial of claims or recoupment depending upon ASH's method of reimbursement.

4. Confidentiality Requirement

Confidential information shall be safeguarded pursuant to [42 C.F.R. Part 431\(F\)](#), [A.R.S. §§ 36-107](#), [36-509](#), [36-2903](#), [41-1959](#), [46-135](#), [A.A.C. R9-22](#), and any other applicable provisions of state or federal law.

5. Grievance and Appeal Process

ASH agrees and shall ensure that its contracted providers agree to abide by and cooperate with the T/RBHAs complaint, grievance, and appeal process maintained to fairly and expeditiously resolve eligible person's, provider's, and ASH's concerns pertaining to any service provided, issues related to this policy, and/or allow an eligible person, provider, or ASH to appeal a determination that a service is not medically necessary and to resolve SMI (persons who have a serious mental illness) eligible person allegations of human rights violations under the ADHS/DBHS rules ([A.A.C. R9-21](#)) for SMI eligible persons.

6. The Denial Process

- a. All decisions by the T/RBHA to deny authorization for admission or continued stay shall be made to ASH's utilization manager via phone and followed by fax. The denial letter shall specify the reason(s) for denial specifically applying the T/RBHA level of care criterion to each case.

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- b. ASH's utilization manager will log in the denial notification using a date/time stamp and immediately notify the patient's attending physician.
- c. ASH's utilization manager may immediately request an informal physician-to-physician reconsideration review with the T/RBHA medical director or designee. ASH's utilization manager will coordinate the time of the reconsideration review with the T/RBHA to meet the timeliness standard of twenty-four (24) hours from notification of the denial.
- d. If the T/RBHA determines that the patient no longer meets medical necessity criteria for payment for care, the T/RBHA is responsible to facilitate the appropriate discharge of the patient within thirty (30) days.
- e. If physician-to-physician reconsideration review reverses the denial decision, the T/RBHA will document the number of days being authorized for continued stay in a written LOA and fax this information to the ASH utilization manager within twenty-four (24) hours of the physician-to-physician reconsideration review. ASH's utilization manager will retain a copy of the LOA and forward the original to the ASH finance department.
- f. If physician-to-physician reconsideration review results in upholding the denial decision, ASH may file a formal appeal as outlined in the T/RBHAs policies and procedures. ASH's utilization manager will request to appeal the T/RBHAs decision in writing and document the date and time the formal appeal was requested in the patient's utilization management file.
- g. In the event that the formal appeal upholds the denial decision, ASH may request an Independent External Medical Review, using the T/RBHAs contractor, as the final step to the appeal process. The Independent Review shall be requested within five (5) days of ASH's receipt of the formal appeal decision. The T/RBHA shall facilitate the Independent External Medical Review process and notify ASH, the attending physician, and the patient of the decision within thirty (30) days. This is the final level of appeal available to ASH.

7. Licensure

- a. ASH and T/RBHA represent and warrant that the entities are currently licensed under applicable state and local law, ASH is accredited by the Joint Commission on

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the Accreditation of Healthcare Organizations (JCAHO), and that ASH will maintain said accreditation or certification, and all other licenses required by law.

- b. Evidence of such licenses, certificates, and accreditation shall be submitted to the T/RBHA upon reasonable request. ASH shall promptly notify the T/RBHA in writing of:
  - i. any formal action against any of its licenses and, in ASH's case, its accreditation or certification and
  - ii. any legal action commenced by or on behalf of a T/RBHA eligible person against ASH.

8. Credentialing

- a. ASH maintains a credentialing process for medical and allied professional staff in compliance with JCAHO and Medicare requirements. ASH's Medical Executive Committee, appointed by the Chief Medical Officer and reporting to ASH's Governing Body, monitors this process. ASH's Medical Executive Committee makes recommendations through the Chief Medical Officer to the Governing Body regarding staff membership and clinical privileges.
- b. ASH will be responsible to continue to ensure that employees and contractors are privileged within the scope of their practice to perform the medical and clinical care functions required. A copy of the ASH Credentialing and Privileging Procedure Manual will be provided upon request.
- c. Providers rendering care to eligible persons in ASH shall be providers in good standing and subject to all ASH medical staff rules and regulations including the quality assurance review program.

9. Documentation

- a. ASH's utilization manager will document all conversations with T/RBHA utilization management staff related to the continued stay of Title XIX/XXI enrolled patients. This information will be documented in ASH's utilization management file maintained for each patient for whom authorization for inpatient services is requested. The patient's utilization management file will also contain copies of the admission CON,

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subsequent RONS, authorization/denial information provided by the T/RBHA, and any information with regard to second level review or appeal.

- b. ASH's utilization manager and patient finance department will ensure that the Title XIX/XXI eligibility of patients is monitored on a daily basis.

10. Claims

- a. ASH agrees to file claims for covered services in the form and manner required by the T/RBHA.
- b. ASH agrees to cooperate with the T/RBHA in providing any information reasonably requested in connection with claims and in obtaining necessary information relating to coordination of benefits, subrogation, verification of coverage, and health status.
- c. All claims will be submitted on a UB92 form.
- d. The billing amount will be an all-inclusive rate agreed upon between the T/RBHAs and ASH. Such billing amount shall include professional services.

11. Billing and Reimbursement

- a. The T/RBHA is responsible for providing to ASH's utilization manager all necessary CONs, RONS, and LOAs as outlined in the [ADHS/DBHS Practice Improvement Protocol 17, Arizona State Hospital](#).
- b. ASH shall provide information weekly to the T/RBHA that identifies the T/RBHAs Title XIX/XXI patients and that will identify outstanding LOAs. The T/RBHA will work with the ASH's admission's office and utilization manager to timely resolve the issues that may be hindering the authorization of services to these patients.
- c. The T/RBHA shall provide the name and address to which claims are to be sent in writing to the ASH finance department and any changes thereof.

12. Time Frames

- a. The claim will be submitted to the T/RBHA within six (6) months after the date of service.

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- b. Payment by the T/RBHA will be made within 30/90 days upon receipt of clean claims. This standard will be based on the Center for Mental Health Services requirement that 90% of clean claims be paid in 30 days and 99% in 90 days.
- c. An explanation of any denials will be received from the T/RBHA within 30/90 days of the T/RBHA receiving the initial claim submission.
- d. Resubmissions will be provided to the T/RBHA within 90 days of the last submission.

13. Availability of Funds

- a. Payments made by the T/RBHA to ASH and the continued authorization of covered services are conditioned upon the receipt of funds by ADHS and in turn the receipt of funds to the T/RBHA from ADHS authorized for expenditure in the manner and for the purposes provided in this policy.
- b. The T/RBHA shall not be liable to ASH for any purchases, obligations, or cost of services incurred by ASH in anticipation of such funding.

14. Indemnification

- a. The T/RBHA agrees to indemnify and to hold ASH harmless from any costs, claims, judgments, losses, damages, or expenses, including attorneys' fees, which ASH incurs because of the negligent acts or omissions of the T/RBHA, T/RBHA employees, agents, directors, trustees, and/or representatives.
- b. ASH agrees to indemnify and to hold the T/RBHA harmless from any costs, claims, judgments, losses, damages, or expenses, including attorneys' fees, which the T/RBHA incurs because of the negligent acts or omissions of ASH, ASH employees, agents, directors, trustees, and/or representatives.

15. T/RBHA Audit

The T/RBHA shall be entitled to audit, monitor, and evaluate the services delivered pursuant to this policy upon reasonable notice and at reasonable hours to ensure that the covered services are adequate to meet the needs of eligible persons and that appropriate records are being maintained.

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Approved By:

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Eddy D. Broadway	Date
Deputy Director	
Arizona Department of Health Services	
Division of Behavioral Health Services	

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Laura K. Nelson, M.D.	Date
Medical Director	
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